Policy for Handling Unpaid Securities

1. Objective

The objective of this policy is to establish a transparent and compliant framework for handling unpaid securities purchased by clients through the Trading Member (TM), in accordance with the applicable regulations, circulars, and guidelines issued by the Stock Exchanges and the Securities and Exchange Board of India (SEBI).

2. Scope

This policy applies to all clients who purchase securities through the Trading Member and fail to make payment for such securities within the prescribed settlement period.(other than MTF trades) As per SEBI Circular no. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated July 03, 2026

3. Definition

Unpaid Securities refer to securities purchased by a client where the corresponding purchase consideration has not been received by the Trading Member within the stipulated time as prescribed by the Exchange/SEBI.

4. Policy Guidelines

1. The Trading Member shall maintain a separate **Client Unpaid Securities Pledgee Account**, wherever applicable, in accordance with the applicable regulatory requirements.
2. Securities purchased by clients for which payment has not been received shall be dealt with in accordance with the Exchange/SEBI guidelines.
3. The Trading Member shall make reasonable efforts to recover the outstanding dues from the client through telephone calls, emails, SMS, or other documented communication.
4. The client shall be informed of the outstanding amount and the consequences of non-payment, including the possible sale of securities.
5. If the client fails to make payment within the stipulated period, the Trading Member reserves the right to **liquidate or invoke** the unpaid securities in accordance with applicable Exchange/SEBI regulations and the Rights and Obligations document executed with the client.
6. Unpaid securities pledged to CUSPA of TM may be considered for reporting client margin collection to Clearing Corporation, but exposure shall not be allow on the basis of such securities to the client.

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CIN NO.:U67190MH2007PTC176790
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NSE/BSE/MSEIL: INZ000187530
Merchant Banker Category I : INM000012607

7. The proceeds from the sale of unpaid securities shall be appropriated towards the client's outstanding dues, including applicable statutory levies, charges, and penalties, if any.
8. Any surplus remaining after adjustment of dues shall be credited to the client's account.
9. Proper records of unpaid securities, communications with clients, pledge creation, invocation, and liquidation shall be maintained for audit and regulatory inspection.
10. The Trading Member shall ensure that all actions relating to unpaid securities are carried out in a fair, transparent, and non-discriminatory manner.
11. Securities pledged in favor of CUSPA of TM shall not be permitted to be pledged/transferred to Banks/NBFCs for raising funds.

5. Release of Pledge on Securities

As long as a client has an outstanding payment obligation for unpaid securities, the Trading Member (TM) must **review the pledged securities every day**.

- The TM must calculate the **maximum value of securities that can remain pledged**, based on factors such as:
    - The client's ledger balance,
    - The client's total margin obligations, and/or
    - Other criteria specified in the stock exchanges' operational guidelines.
- If the **value of the pledged securities exceeds the permitted maximum**, the TM must **release the pledge on the excess quantity of securities**.
- This release must be completed **on or before the next trading day**, following the exchanges' operational guidelines.

6. Extension of pledge in exceptional circumstances

In exceptional circumstances, if the unpaid pledged securities cannot be liquidated by stockbroker within 5 trading days after pay-out due to following reason

- The security being in lower circuit with only sellers;
- Suspension or trading halt due to surveillance or other reasons; or
- Any other valid reasons as recognized by MIIs including unforeseen circumstances beyond the control of the TM,

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TM may make a request by 6 PM on fifth trading day after pay-out, to extend the pledge by up to one additional calendar week, If the above conditions continue through the extended period, further extensions of similar period may be sought.

7. Client Communication

The Trading Member shall communicate via SMS/Email after the creation of pledge with the client regarding:

- Outstanding payment obligations.
- Due date for payment.
- Consequences of non-payment.
- Proposed liquidation, where applicable.
- Details of liquidation and adjustment of proceeds.

8. Regulatory Compliance

This policy shall be implemented in accordance with the circulars, bye-laws, rules, regulations, and directions issued by SEBI and the Stock Exchanges from time to time. In case of any amendment to the regulatory framework, the revised provisions shall automatically prevail over this policy.

9. Review of Policy

This policy shall be reviewed periodically or whenever there is any amendment in the applicable SEBI or Stock Exchange regulations.

10. Approval

This Policy has been approved by the Competent Authority/Proprietor/Board of Directors of the Trading Member in accordance with SEBI Circular No. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated July 03, 2026, and shall come into effect from the date of such approval.

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HASIT PANDYA

Digitally signed by HASIT PANDYA
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